

## INSIDE THE BUDGET IN BRIEF

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## INTRODUCTION TO THE BUDGET IN BRIEF

Harford County's Budget in Brief is a financial summary to provide our citizens with an overview of our Annual Operating and Capital Budgets. It includes information on how the budget is developed and what it ultimately means in terms of services to our community.

A summary of Harford County's Approved FY 05 Operating and Capital Budgets is included.

A Fiscal Policy section defines the cornerstones of our financial management plan.

The General Fund section presents summaries of our General Fund revenues and where the funds are appropriated by department and function.

The FY 05 Budget Highlights include pie charts and summaries for all other County Funds. A brief explanation of how revenues were projected and appropriation decisions were made follows each fund's summary.

An overall summary of Capital Budget revenues and expenses is provided, as well as a listing of projects in which a great deal of citizen interest has been expressed.

The County's Vision, Mission and Goals are detailed, plus samples of some departmental performance measures are highlighted.

A County organization chart is included.

Statistics on the level of certain County services are listed; as well as various points of interest.

The County At A Glance details specific demographic, economic and educational data.

A summary of elected officials and departmental staff involved in the budget process is provided.

## BUDGET ORGANIZATION

Harford County's comprehensive financial and operating plan for the fiscal year is comprised of the Annual Operating and Capital Budgets and our Six Year Capital Improvement Program.

### OPERATING BUDGET

The Annual Operating Budget details fiscal information for all County departments and agencies along with information on: services, programs, goals, objectives, performance measures, and staffing requirements. Also defined are the County's contributions to independent sectors such as the Board of Education, Harford Community College and the County Libraries.

The budget consists of separate established "funds" to record the receipt and application of resources which, by law or generally accepted accounting practices, must be kept distinct:

- o **THE GENERAL FUND** is the principal operating fund for Harford County Government and is used to account for all financial resources except those required by law, County policy, and/or generally accepted accounting practices to be accounted for in another fund.
- o **SOLID WASTE SERVICES** is used to account for solid waste management costs to the extent that solid waste related revenues are available. All other costs are in the General Fund.
- o **THE HIGHWAYS FUND** is used to account for dedicated revenues derived from specific taxes and other earmarked revenue sources legally restricted to expenditures for the operation and support of the Engineering & Construction Division of the Department of Public Works, County fleet maintenance, capital projects management, traffic safety and transportation services.
- o **THE WATER & SEWER FUND** is an enterprise fund, accounting for operations financed and conducted similar to private enterprise. It is the County Government's intent to finance these services primarily through charges to water and sewer service customers.
- o **THE WATER & SEWER DEBT SERVICE FUND** accounts for principal and interest payments on water and sewer bonds and loans, financed by dedicated revenues derived from user fees and surtaxes.
- o **SPECIAL REVENUE FUNDS** were established to comply with the Governmental Accounting Standards Board's (GASB) Statement No. 34, which requires maintaining individual accounts for programs of a self-supporting nature (Parks & Recreation Special Fund) or which do not provide basic governmental services (County and State Agricultural Preservation Funds).

### CAPITAL BUDGET & CAPITAL IMPROVEMENT PROGRAM

Harford County Government officials, with input from all departments and agencies, identify the long-range need to construct new or improve existing public facilities, and formulate a capital plan, consisting of a one year Capital Budget and a six year Capital Improvement Program. Such a program provides appropriation authority and planning for projects of long-term usefulness, size and cost, and/or which require large expenditures of funds usually programmed over more than one year and which result in a durable capital asset.

## BUDGET PROCESS

With advice from a Spending Affordability Committee (comprised of local citizen volunteers) and departmental staff; after meetings with all County departments, the Board of Education, the County Libraries and Harford Community College; and after conducting a public hearing to secure citizen input; the County Executive proposes an annual budget, which by law, must be presented to the County Council by April 1st. The Council then holds its own hearings. By May 31st, the Council is required by law to adopt both an Operating and Capital Budget and set tax rates.

